T·E·A

Tea Exporters Association

Sri Lanka

NEWSLETTER

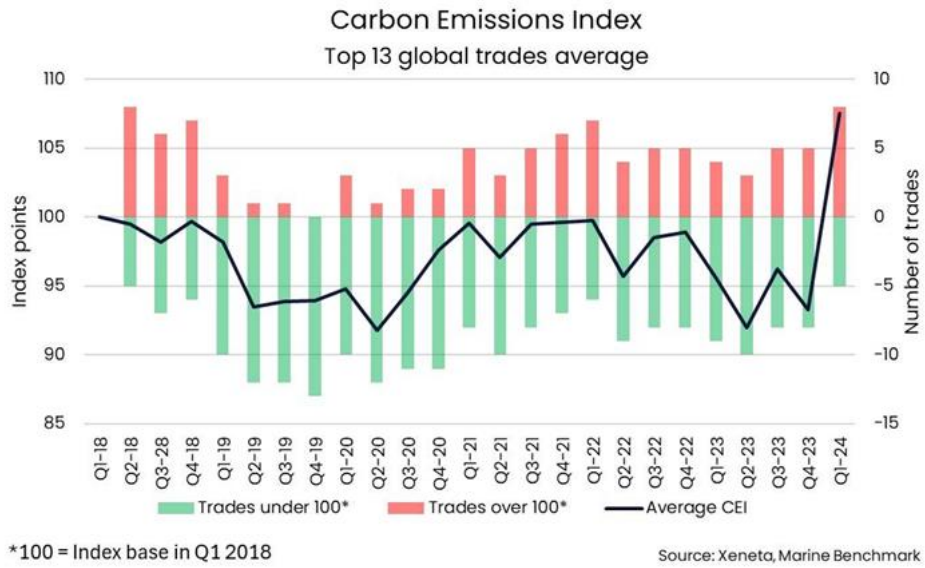
APRIL 2024

TOP STORIES

Subject **Page No.**

LEAD STORY

Red Sea conflict brings massive Carbon Emissions increases



Conflict in the Red Sea has brought massive carbon emissions increases in ocean freight container shipping, according to data just released by Xeneta.

The Xeneta and Marine Benchmark Carbon Emissions Index (CEI), which measures carbon emissions per ton of cargo transported across the world's top 13 trades, hit 107.4 points in Q1 2024 - the highest it has been since the index began in Q1 2018.

For containers being shipped via ocean from the Far East to Mediterranean , the CEI reveals carbon emissions increased by 63% in Q1 2024 compared to Q4 2023. From the Far East into North Europe, carbon emissions increased by 23%.

This is a direct result of conflict in the Red Sea region, which escalated in December and has seen most ocean freight container services avoid the Suez Canal due to the threat of attack by Houthi militia.

Emily Stausbøll, Xeneta Market Analyst, said: "We are all aware of the human and economic cost of war, but this data demonstrates there is also price to pay for the climate.

"Containers being shipped to the Mediterranean from the Far East travelled 9,400 nautical miles on average in Q4 before the escalation in the Red Sea. They are now sailing an additional 5,800 nautical miles due to diversions around the Cape of Good Hope in Africa, with the inevitable consequence of more fuel being burned.

"Ships are also being sailed at higher speeds in an attempt to make up time due to the longer distances, which again results in more carbon being burned."

Data released by Xeneta also reveals disruption in the Red Sea has pushed some shippers into using air freight to protect supply chains.

As a result, air cargo demand from Dubai Airport to European destinations increased by 190% in March compared to the same month in 2023.

Stausbøll said: “Not only is air freight more expensive than ocean freight it is also far less sustainable, so this shift to hybrid sea-air services via the Middle East will result in increased carbon emissions per ton of cargo transported.

“Shippers are also now once again using rail services through Russia to transport goods from the Far East to Europe, which similarly to air freight, is more carbon intensive than ocean freight shipping.

“Ocean freight container shipping is only one sector, but this clearly demonstrates the massive impact war can have on carbon emissions and the climate.”

The deterioration of carbon emissions performance comes at a time when the IMO is working towards net zero in global ocean freight shipping by or around 2050.

2024 has also seen the introduction of EU-ETS regulations which require ocean freight service providers to pay a subsidy based on the amount of carbon emitted on sailings to and from European ports.

Stausbøll said: “The initial IMO targets are based carbon intensity rather than actual emissions so longer sailing distances won’t necessarily have a negative impact on these measurements.

“However, this peculiarity in the way the IMO records carbon performance cannot hide the fact that conflict has the potential to have a detrimental impact on the sustainability of global supply chains.

“Longer sailing distances will also see an increase in the cost of ocean freight shipping. As well as needing more fuel to sail around Africa, higher CO2 emissions will result in a higher EU ETS bill for ocean freight carriers.

“Carriers will do what they can to pass these costs on to the businesses shipping the goods, whether that is through increasing ocean freight shipping rates or additional surcharges – either way there is a financial price to pay.

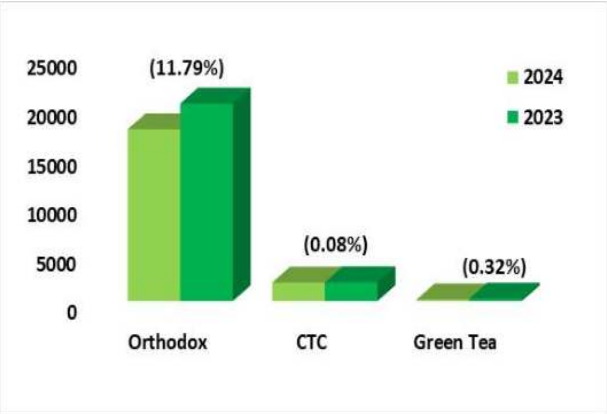
“With geo-political conflict and major international incidents such as the Covid-19 pandemic becoming a seemingly more regular occurrence in recent years, there is a lot to consider in terms of how ocean freight shipping responds to protect supply chains while also meeting carbon emissions targets.”

(Marine Link)

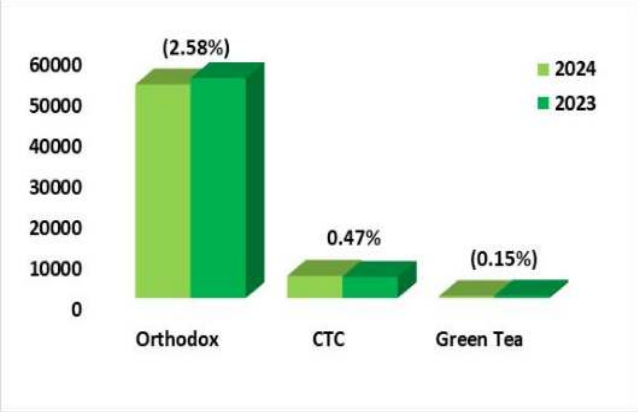
DOMESTIC NEWS

SRI LANKA TEA PRODUCTION

MARCH 2024/2023 - in MT



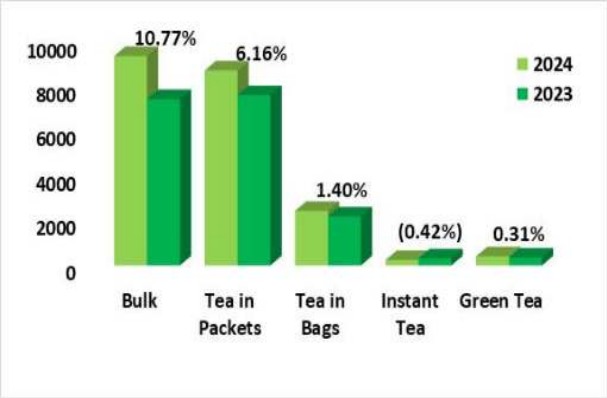
JANUARY TO MARCH 2024/2023 - in MT



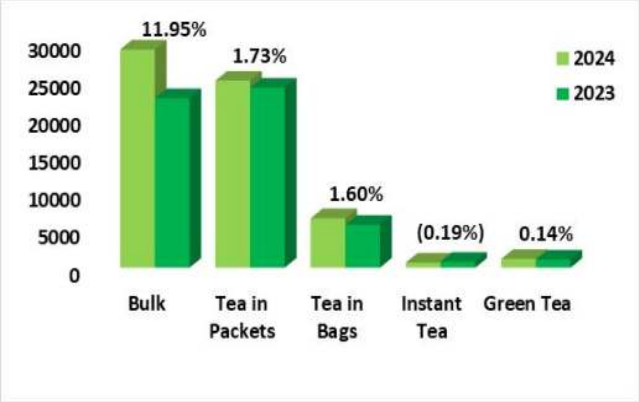
(SLTB)

SRI LANKA TEA EXPORTS

MARCH 2024 /2023 - in MT

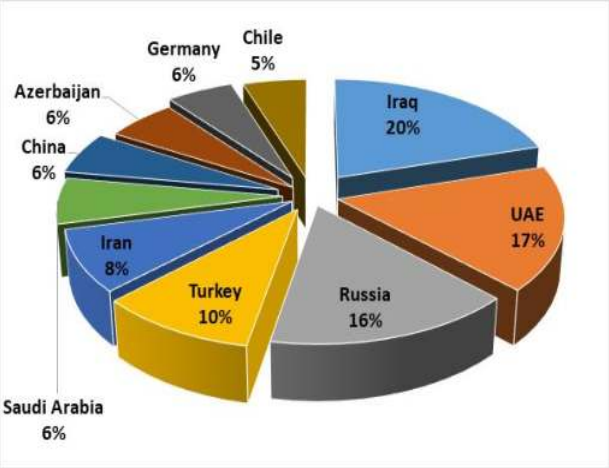


JANUARY TO MARCH 2024/2023 - in MT

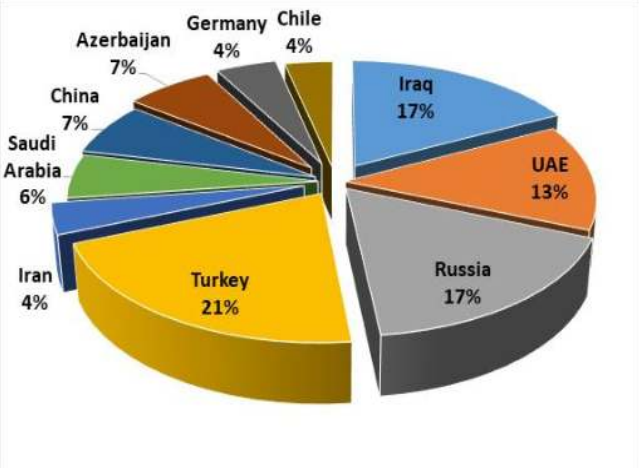


MAJOR IMPORTERS OF SRI LANKA TEA

JANUARY TO MARCH 2024 - in MT



JANUARY TO MARCH 2023 - in MT



(SL Customs - Courtesy Forbes & Walker Tea Brokers)

MARKET INFORMATION

World Tea Crop

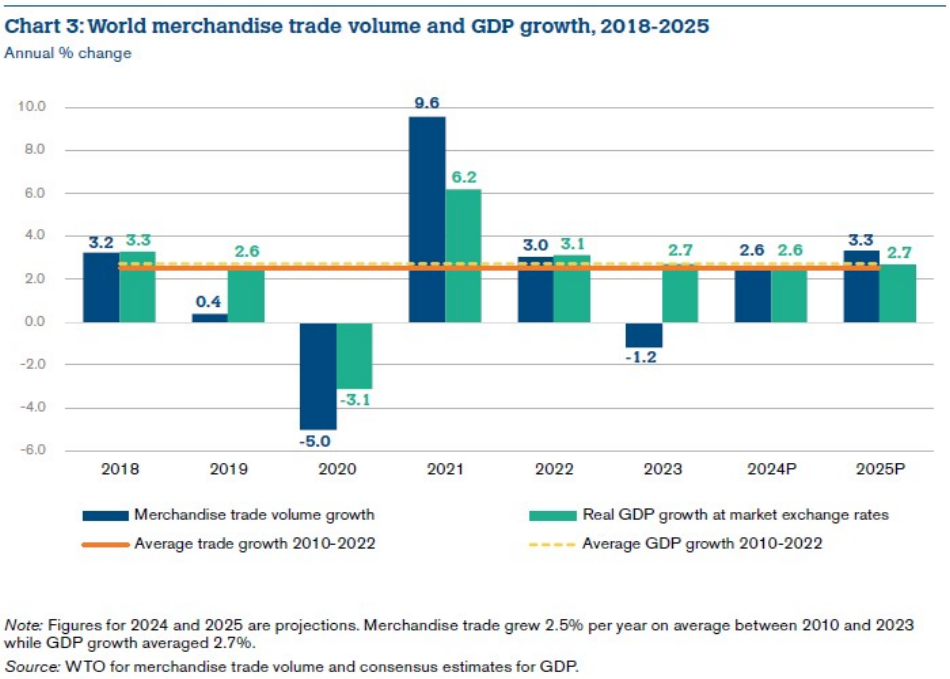
The latest tea crop figures of some leading tea producing countries are furnished below (in million Kg).

Country	Period	2024	2023	Variance
Bangladesh	January to February 2024	0.22	0.41	(0.19)
Kenya	January to February 2024	114.40	87.60	26.80
South India	January 2024	17.00	13.60	3.40
Malawi	January 2024	7.20	6.40	0.80

(Forbes & Walker Tea Brokers (Pvt) Ltd)

TRADE & ECONOMY

Global trade to rebound in 2024



Note: Figures for 2024 and 2025 are projections. Merchandise trade grew 2.5% per year on average between 2010 and 2023 while GDP growth averaged 2.7%.
Source: WTO for merchandise trade volume and consensus estimates for GDP.

Global goods trade is expected to pick up gradually this year following a contraction in 2023 that was driven by the lingering effects of high energy prices and inflation, WTO economists said in a new forecast on 10 April. The volume of world merchandise trade should increase by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023. However, regional conflicts, geopolitical tensions and economic policy uncertainty pose substantial downside risks to the forecast.

In the latest "Global Trade Outlook and Statistics" report, WTO economists note that inflationary pressures are expected to abate this year, allowing real incomes to grow again — particularly in advanced economies — thus providing a boost to the consumption of manufactured goods. A recovery of demand for tradable goods in 2024 is already evident, with indices of new export orders pointing to improving conditions for trade at the start of the year.

WTO Director-General Ngozi Okonjo-Iweala said: "We are making progress towards global trade recovery, thanks to resilient supply chains and a solid multilateral trading framework — which are vital for improving livelihoods and welfare. It's imperative that we mitigate risks like geopolitical strife and trade fragmentation to maintain economic growth and stability."

High energy prices and inflation continued to weigh heavily on demand for manufactured goods, resulting in a 1.2% decline in world merchandise trade volume for 2023. The decline was larger in value terms, with merchandise exports down 5% to US$ 24.01 trillion. Trade developments on the services side were more upbeat, with commercial services exports up 9% to US$ 7.54 trillion, partly offsetting the decline in goods trade.

Import volumes were down in most regions but especially in Europe, where they fell sharply. The main exceptions were large fuel-exporting economies, whose imports were sustained by strong export revenues as energy prices remained high by historical standards. World trade remained well above its pre-pandemic level throughout 2023. By the fourth quarter it was nearly unchanged compared to the same period in the 2022 (+0.1%) and had only risen slightly compared to the same period in 2021 (+0.5%).

The report further estimates global GDP growth at market exchange rates will remain mostly stable over the next two years at 2.6% in 2024 and 2.7% in 2025, after slowing to 2.7% in 2023 from 3.1% in 2022. The contrast between the steady growth of real GDP and the slowdown in real merchandise trade volume is linked to inflationary pressures, which had a downward effect on consumption of trade-intensive goods, particularly in Europe and North America.

Moving forward, the report warns that geopolitical tensions and policy uncertainty could limit the extent of the trade rebound. Food and energy prices could again be subject to price spikes linked to geopolitical events. The report's special analytical section on the Red Sea crisis notes that while the economic impact of the Suez Canal disruptions stemming from the Middle East conflict has so far been relatively limited, some sectors, such as automotive products, fertilisers and retail, have already been affected by delays and freight costs hikes.

The report furthermore presents new data indicating that geopolitical tensions have affected trade patterns marginally but have not triggered a sustained trend toward de-globalization. Bilateral trade between the United States and China, which reached a record high in 2022, grew 30% less in 2023 than did their trade with the rest of the world. Moreover, for the whole of 2023, global trade in non-fuel intermediate goods — which provides a useful gauge of the status of global value chains — was down 6%.

Signs of fragmentation may also be emerging in services trade: US imports of information, computer, and telecommunications (ICT) services from North American trading partners (mostly Canada) increased from 15.7% of total ICT imports in 2018 to 23.0% in 2023 while US imports of the same from Asian trading partners (mostly India) fell from 45.1% to 32.6%. Fragmentation of data flow policies along geopolitical lines, moreover, could cause global trade of goods and services in real terms to fall by 1.8% and global GDP to decline by 1% according to estimates from a forthcoming study by the Organisation for Economic Co-operation and Development and the WTO.

If current projections hold, Africa's exports will grow faster than those of any other region in 2024, up 5.3%; this however is from a low base, since the continent's exports remained depressed after the COVID-19 pandemic. The CIS(1) region's expected growth is just slightly below 5.3%, also from a reduced base after the region's exports plunged following the war in Ukraine. North America (3.6%), the Middle East (3.5%) and Asia (3.4%) should all see moderate export growth, while South America is expected to grow more slowly, at 2.6%. European exports are once again expected to lag behind those of other regions, with growth of just 1.7%.

Strong import volume growth of 5.6% in Asia and 4.4% in Africa should help prop up global demand for traded goods this year. However, all other regions are expected to see below average import growth, including South America (2.7%), the Middle East (1.2%), North America (1.0%), Europe (0.1%) and the CIS region (-3.8%).

Merchandise exports of least-developed countries (LDCs) are forecasted to grow 2.7% in 2024, down from 4.1% in 2023, before growth accelerates to 4.2% in 2025. Meanwhile, imports by LDCs should grow 6.0% this year and 6.8% next year following a 3.5% contraction in 2023.

(World Trade Organization)

WORLD TRADE ORGANIZATION

Enforcement of US Organic regulations

The U.S. Department of Agriculture has implemented stringent new regulations, a crucial step in the fight against fraudulent organic claims. It's now imperative that most entities involved in organic trade obtain certification to comply with the new regulations.

Enforcement has resulted in last-minute applications by coffee and tea traders and overseas handlers to certify links in the tea and coffee supply chain that were historically exempt from compliance.

Despite a 14-month notice, the number of certification applications has not significantly increased, leading industry observers to conclude that many suppliers are not compliant.

The National Organic Program's (NOP) Strengthening Organic Enforcement (SOE) regulations mark a significant shift, encompassing anyone involved in producing, selling, processing, or packaging organic products.

Effective from March 19, the certification requirement applies for the first time to specific entities in the organic trade, including tea brokers, traders, importers, and exporters. Additionally, any operation that comes into physical contact with organic agricultural products, such as aggregating, culling, conditioning, treating, packing, containerizing, warehousing, storing, repacking, labeling, receiving, or loading, must also comply.

Handling includes activities that may not involve physical contact with the product, such as selling, trading, facilitating sales, or trade.

"We strongly advocate for the certification of all entities operating in organic trade," emphasizes the USDA. "Safeguarding and expanding the organic sector and the trusted USDA organic seal is a crucial aspect of the USDA Food Systems Transformation initiative," reiterated Under Secretary for Marketing and Regulatory Programs Jenny Lester Moffitt. "The SOE substantially increases oversight and enforcement authority, bolstering the trust of consumers, farmers, and those transitioning to organic production. This achievement underscores USDA's unwavering support for the organic brand."

Foreign suppliers must now obtain an NOP Import Certificate issued electronically for any certified organic shipment entering the US. Farms and businesses must also obtain an NOP operating certificate or equivalent.

The rule change followed a massive fake organic grain scandal uncovered in 2017. USDA has made it clear that non-compliance will not be tolerated. Entities that must get certified under the rule must apply for certification to avoid penalties under the Organic Foods Production Act (OFPA).

(STiR Coffee & Tea)

Turkey struggles for more tea exports

While Turkiye is the top tea producer in the Middle East, it must still import hundreds of thousands of kilos to meet the needs of 85 million people, who have the highest average per person tea consumption globally . Nine out of 10 Turks drink an average of 1,300 cups of black tea annually – three to four cups a daily, rising to 10 cups in winter.

According to the International Tea Committee, consumption increased from an average of 3.5 kilos to 4 kilos per person annually during the Pandemic. As Turkiye's primary beverage, tea is consumed on every occasion, everywhere possible from sunrise to sunset.

In 2023, the sector produced 275,000 metric tons of processed tea. Up from between 200,000 and 240, 000 tons over the past 10 years. Despite being one of the biggest producers in the world, Turkish tea exports are comparatively small.

Exports totaled $5.7 million in 2019. Germany was the biggest buyer at 128 metric tons. North Cyprus was second. In 2022-23 exports totaled $24.7 million, a 13.9% increase compared to 2021-22, according to International Trade Center.

There are a few reasons for this, primarily due to domestic demand. Almost 95% of the total production is channeled into domestic use, so much so that since 2015, Turkiye has had a negative trade balance in the commodity due to a surge in demand.

Natural obstacles – in addition to structural problems – causing relatively low export figures include high prices in relation to production cost and the frequency of harvest. Unlike hot and rainy climates where the harvest can occur 8-9 times a year, the cold climate in the north of Turkiye allows for only three tea harvests seasonally which negatively impacts the prices and causes Turkish tea to lose its competitive edge.

The average price is around $3,500 per ton in Turkiye, compared with the world per ton average, which stands below $2,500. China, Kenya and India manage to sell for under $2,000 per metric tons thanks to low labor costs. In 2023 the purchase price of fresh tea stood at TL 11.30 / kg, including supports.

The harsh climate of the Black Sea region is a drawback in terms of harvest frequency. "When we look back five years, we see a decline in tea farming yield ranging from 18 to 20%," Mehmet Erdogan, the head of Turkey's Rize Commodity Exchange, told the Hurriyet Daily News, an Istanbul-based newspaper. Erdogan said that temperatures in Rize reached daily peaks at or above 37°C (98° Fahrenheit) for 20 days in 2023. "The tea plant is not prepared for this. Extended periods of no rain and high temperatures have caused the plant to focus more on self-preservation than yielding a crop," said Erdogan.

According to Turkiye's Eastern Black Sea Exporters Association (DKIB) data, tea was sold from Turkey to 111 countries in January-September 2023. Tea export revenue was $16.6 million in the third quarter of last year but increased by 23% and reached $20.4 million by the end of the year.

The highest demand for Turkish tea, whose exports increase every year, came from Belgium, the US and the United Kingdom. In the nine-month period of the year, $7.6 million was earned for the sale of 1,921 tons of tea to Belgium. This was followed by the US's $2.4 million and the United Kingdom's $2.3 million.

(STIR Coffee and Tea)

Kenyan tea industry sets pace for ESG to drive growth

As the tea industry looks toward the future, the potential for Environmental, Social, and Governance (ESG) impacts to drive sustainable growth and build a more resilient community around the large tea estates is immense.

By focusing on environmental sustainability, such as promoting biodiversity conservation and sustainable land management practices, the industry can safeguard the natural resources that are the foundation of its success.

Additionally, the industry aims to model environmental stewardship among private and public actors and has in this regard partnered with the Initiative for Sustainable Landscapes ISLA by The Sustainable Trade Initiative - IDH which is steering restoration efforts in the South West Mau Forest ecosystem.

On the social front, initiatives that prioritize community engagement, empowerment of women and youth, and investment in education and healthcare can create a more inclusive and equitable society.

By promoting good governance practices, transparency, and accountability, the tea industry can build trust with stakeholders, enhance regulatory compliance, and ensure long-term viability.

As the third largest producer of tea globally and a top tea exporter, Kenyan tea has the potential to play a bigger role in setting industry standards for social responsibility and sustainable growth.

Nurturing communities and fostering sustainable development goes beyond the cultivation of tea leaves; and large-scale tea producers, are setting the tone and emerging as a beacon of social responsibility by creating value that goes beyond the boundaries of tea estates.

So far, the contributions to the local communities are nothing short of transformative.

With 55-89 percent of residents employed by these estates, tea plantation is not just a source of livelihood but a pillar of economic stability for thousands of families.

The employment of these residents by the large producers injects over Sh6.4 billion in payroll earnings per annum, not only uplifting households but also fueling local businesses and spurring economic growth in the region.

For instance, over Sh1.8 billion is paid annually through procurement of goods and services from local businesses by the tea producers and this not only creates economic opportunities but also nurtures a culture of collaboration and partnership that benefits all stakeholders.

Beyond financial contributions, engagements with local governments have been ongoing and resulted in long-term voluntary arrangements to support infrastructure development and boost county incomes through increased land rates paid to the counties and infrastructure development fund in a stakeholder-led program

This contribution to enhanced county-owned resource revenues underscores a deeper commitment to the long-term prosperity of the region and the communities around it.

Moreover, there has been a commitment to corporate social responsibility (CSR) made over the last four years to support education, healthcare, water facilities, and public utility infrastructure in Kericho and Bomet counties and over a billion has been committed to sustainable agriculture, quality education, and training as well as women economic empowerment.

(STAR)

Kenyan tea faces price concerns

Kenya's tea farmers are grappling with the risk of decreased earnings as the price of the beverage plunges at the weekly auction in Mombasa , compounded by quality concerns surrounding the tea provided for auction.

Despite a significant increase in production volumes attributed to favorable weather conditions in most tea-producing regions, the demand for Kenyan tea continues to decline due to weak demand from top buyers and stiff competition.

The volume of Kenyan tea presented at the auction between January and April increased 20.7 percent to 145.5 million kilograms.

According to data from Tea Brokers East Africa Ltd (EATBL), a kilogram of tea fetched an average price of Kes 283.4 (US$2.18) during sale 14 of 2024 at the Mombasa auction , reflecting a 6.8 percent decline compared to the same period last year.

"There was reduced activity from Pakistan Packers, Bazaar, Afghanistan, Egyptian Packers, Yemen, and other Middle Eastern countries in view of the Eid-l-Fitr festivities," said EATBL.

Additionally, the strengthening of the local currency against the dollar and the introduction of a reserve price aimed at cushioning farmer earnings have further impacted the industry.

The reserve price, introduced in 2021, has presented a huge blow for the sector, with the increasing volumes of tea at the auction failing to attract buyers.

Data from Africa Tea Brokers (ATB) revealed that out of 72.08 million kilograms of tea presented to the auction in March, only 42.35 million kilograms were sold, highlighting the challenge faced by the industry.

In response to quality concerns, the Kenya Tea Board (KTB) is developing standards for acceptable teas for processing to reduce the volume of rejected teas.

"The Tea Board of Kenya has been registering the green leaf transporters to the factory and is developing the standards of green leaf acceptable for processing," KTB said.

(Africa Business News)

KTDA faced backlash as traders reject tea

In the latest sale at the Mombasa Tea Auction, the Kenya Tea Development Agency (KTDA) faced significant backlash as traders rejected over half of the tea offered for trading, amounting to a staggering 9.8 million kilograms.

This rejection came after KTDA instructed brokers to sell the beverage at a reserved price, resulting in a mismatch between price and quality that left traders dissatisfied.

The rejected tea, valued at Ksh 2.3 billion, represented 52 percent of the total commodity offered at the auction floor.

KTDA's directive to sell the tea at US$2.43, the government-set minimum price for smallholder farmers' commodity was met with resistance from buyers who cited concerns over quality and pricing discrepancies.

"The previous week, KTDA had instructed brokers to sell the old teas at the best-offered bids. However, last week, they imposed reserved prices on old stocks, leading to significant withdrawals," said a tea broker quoted by Business Day Africa.

This inconsistency led to widespread withdrawals from the auction, exacerbating the challenges faced by the tea industry.

KTDA's decision to release aged tea stocks into the market at prices below the government-mandated minimum was intended to alleviate warehouse congestion and boost liquidity.

However, critics argue that anchoring the minimum price to production expenses rather than the intrinsic value of tea was imprudent, leading to further market disruptions.

Industry experts highlight the inherent disparities in quality between teas sourced from different regions, emphasizing the need for auction prices to reflect these differences.

The inflexibility of the minimum price regime has prompted buyers to favor alternative high-quality teas over KTDA offerings, contributing to the volume of unsold tea at the auction.

Meanwhile, directors of smallholder tea factories companies in Mt Kenya have raised concerns over the resurgence of cartels in the sector.

They allege that well-connected cartels are sabotaging government reforms aimed at revitalizing tea farming and ensuring growers receive fair compensation for their produce.

The directors claim that through reforms and proper management, farmers' earnings have increased significantly, from Sh43 billion to about Sh80 billion.

However, they express dissatisfaction with the Tea Board of Kenya (TBK), accusing it of interfering with the affairs of KTDA-managed smallholder factories, which could adversely affect tea farmers.

(Africa Business Business)

Indian bought leaf factories protests

Bought leaf factories across Assam ceased operations in the second week of April to protest a controversial 90-day trial mandating the sale of all dust-grade teas at auction.

The shutdown will idle many of the 200,000 small growers in Assam who supply bought-leaf factories. Dust grades manufactured in Assam and West Bengal represent about 25% of the tea produced.

The Assam Bought Leaf Tea Manufacturer's Association, representing 110 factories, organized the shutdowns. The association vehemently opposes mandatory auctions, arguing that the existing sales mechanisms are more beneficial and yield higher prices. Moreover, it is aggrieved by the requirement to test green leaf produced at member factories to comply with food safety requirements, asserting that the grower, not the factory, is responsible for chemical and pesticide use.

The association notes that factories in Assam and the Nilgiris are not equipped to test green leaves for various chemicals using a protocol developed by the Food Safety and Standards Authority (FSSAI). Factory owners say it takes several days to obtain test results.

Last month, Kamal Jalan, Chairman of the North Eastern Tea Association (NETA), passionately voiced his opposition at the organization 's biennial general meeting in Golaghat , Assam . NETA said the auction mandate is detrimental to the industry's survival.

NETA also raised the issue of food safety compliance , calling for greater awareness among small tea growers , increased testing and facilities needed to conduct tests at factories , and a roadmap towards achieving 100% compliance with food safety standards.

The Indian Tea Exporters (ITEA) issued a release that "strongly endorses " the requirement . ITEA Chairman Anshuman Kanoria writes , "The ITEA believes that this trial will afford much -needed transparency , comprehensive and legitimate testing of all production units per FSSAI protocol and incentivize better quality production for Indian tea lovers.

"The Indian tea industry faces an oversupply of lower-quality teas, and questionable compliance standards, which are key to boosting tea demand domestically and overseas , have often been flouted . The government's resolve to make the tea industry cleaner is most heartening," Kanoria said.

He added that ITEA believes that the 100 % auction should also be extended to the export sector of Orthodox and Darjeeling teas to boost competition and price discovery.

In January, FSSAI completed extensive tea testing for 33 chemicals at factories nationwide and announced that 40% were not compliant.

The Indian Tea Association (ITA), the country's oldest and largest association of tea producers, supports the three-month trial. "By default, it appears to be the only solution to detect and test Maximum Residue Levels (MRL) transparently , that is, by channelizing this category (being representative of the overall production) to pass through a funnel where testing and detection would be possible," the association said. The association added, "ITA pledges its unequivocal support to the Tea Board and the Commerce Ministry in this endeavor."

The Guwahati Tea Warehousing Association (GTWA), representing tea packers, blenders, and retailers, also issued a statement supporting the mandate and expressing relief. "We are thankful to all concerned who have made this possible. We are sure that this will go a long way in discovering the fair price of teas," said GTWA President C. Chaliha told ANI news.

The amendment to the Tea (Marketing) Control Order of 2003 requires all dust-grade tea manufactured in Arunachal Pradesh, Assam, Bihar, Sikkim, Tripura, Uttarakhand, and West Bengal to be sold through public tea actions . It does not apply to mini -tea factories or the South India -producing states of Kerala and Karnataka.

The mandate is also supported by the Federation of All India Tea Traders Association (FAITTA), the apex body of tea traders , buyers , packers , and retailers in India , and the Small Tea Growers ' Association , Confederation of Indian Small Tea Growers Association (CISTA).

(STiR Coffee &Tea)

India asks for 100% lab tests for Nepal tea

India's customs office in Panitanki, West Bengal recently barred the entry of 17 trucks carrying 2000 kilograms of tea produced in Nepal from entering India demanding 100% lab test requirement. However, due to the joint initiative of Nepal prime minister, the Department of Customs as well as the Ministry of Foreign Affairs, the Indian Customs Office allowed trucks in after six days.

Earlier, the Indian customs used to allow the entry of tea produced in Nepal after presenting lab test report of 5 to 20 percent of randomly selected samples.

The absence of an internationally-recognized laboratory in Nepal poses challenges for exporting tea and other agricultural products from the Mechi Customs, as they must undergo testing in Kolkata, India.

Udaya Chapagain, president of the Nepal Tea Producers Association and a tea industrialist, complained that India has been consistently creating obstacles to the export of tea produced in Nepal due to the lack of an internationally-recognized laboratory in Nepal.

Chapagain mentioned that the Tea Council of India's demand for quality checks three years ago caused a week-long blockade of tea exports from Nepal.

Ram Prasad Regmi, Chief Customs Officer of Mechi Customs, reported that trucks carrying Nepalese tea cleared by Nepal have been barred entry to India since 18th April. Upon inquiry by the Nepali side, Indian customs officials revealed that the customs clearance process would require submission of lab test reports. As conducting 100% lab testing immediately is unfeasible, Regmi and his team are exploring ways to facilitate the entry of Nepalese tea trucks into India.

Annually, Nepal exports tea worth Rs 3 billion to India. A halt in exports would adversely affect tea-producing farmers, cooperatives, and tea traders of Nepal. Indian traders purchase 80% of Nepal's tea and sell them under various brands domestically and internationally. Nepal exports the remaining 20% of tea to China, Japan, Germany, the United States, Australia, Russia, and the Gulf countries.

(New Business Age)

Tanzania plans to train tea farmers

In a bid to revitalize the Tanzanian tea sector and enhance its global competitiveness, the Tea Board of Tanzania (TBT) has rolled out an extensive training program aimed at empowering tea farmers and processors with advanced techniques and financing mechanisms.

The comprehensive initiative, spanning from March to April 2024, targets participants across all scales of tea production, from smallholder farmers to large-scale producers.

The primary objective is to elevate the quality and profitability of Tanzanian tea, positioning it to command premium prices in international markets.

At the core of the program lies a focus on modernization and efficiency enhancement. Participants will be introduced to clonal tea planting, renowned for its superior quality and ability to fetch higher prices at auctions.

Moreover, the training will emphasize the optimal use of fertilizers and selective herbicides to maximize crop yield and quality while minimizing costs.

A significant aspect of the initiative involves transitioning from manual to automated processing technologies . By embracing automation , tea processors can expect to reduce operational costs significantly and improve overall efficiency in tea processing operations.

One of the most ambitious goals of the program is to enable smallholder farmers to own and operate their own green Orthodox tea (GOT) small-scale processing factories within three years.

The initiative aims at empowering small-scale farmers by adding value to their tea production and enhancing their market competitiveness.

The program aims to ensure accessibility to affordable agricultural inputs for tea farmers , thereby reducing production expenses and boosting farmers' incomes.

Mary Kipeja, director TBT said, "We aim to facilitate smallholder farmers in processing and selling tea directly at the auction. This will help reduce production costs by promoting farmers to form contracts with banks for the collective purchase of inputs from factories at lower prices."

She also disclosed that TBT will facilitate the construction of five tea processing factories and two tea blending factories, with the target of establishing one factory each year to promote smallholder farmer participation in tea processing.

The program also focuses on introducing innovative and cost-effective processing technologies to large-scale producers, aiming to increase profitability through enhanced efficiency and quality.

(Africa Business News)

Uzbekistan Spends $8.9 Million on Tea Imports in Two Months

Preliminary data from the Statistics Agency reveals that Uzbekistan imported tea worth $8.9 million during the first two months of 2024.

Between January and February 2024, Uzbekistan imported a total of 6,548 tons of tea, marking a decrease of 178.5 tons compared to the corresponding period the previous year.

During this two-month period, Uzbekistan sourced tea from 15 different countries. Among them, the largest volumes of imports came from:

- China: 5,446 tons
- Iran: 285 tons
- Kenya: 275 tons
- India: 165 tons
- Kazakhstan: 88.9 tons

(Tura News)

Tea Crop increases in Azerbaijan

In January-February 2024, 1,967.2 tons of tea were produced in Azerbaijan, Azer news reports, citing the State Statistical Committee.

Compared to the same period last year, production increased by 395.1 tons or 25.1%.

In January-February of last year, 1,572.1 tons of tea were produced.

The production of finished products as of March 1, 2024, amounted to 87.6 tons.

This is 13 tons or 17.4% more, compared to the corresponding period in 2023.

The production of finished products as of March 1, 2024, amounted to 74.6 tons.

(Azer News)

Anti- Inflammatory Tea Market to exceed $3.6 billion by 2032

According to a new report published by Allied Market Research, the anti- inflammatory tea market was valued at $2.1 billion in 2022, and is estimated to reach $3.6 billion by 2032, growing at a CAGR of 5.5% from 2023 to 2032. Anti -inflammatory tea is a type of herbal beverage made from ingredients that are known to possess anti -inflammatory properties. These ingredients often include herbs and spices such as turmeric, ginger, cinnamon, and green tea. The tea is brewed by steeping these ingredients in hot water, allowing their beneficial compounds to be extracted. Anti -inflammatory tea is believed to help reduce inflammation in the body, which is associated with various health conditions such as arthritis, digestive issues, and chronic pain. It is commonly consumed as a natural remedy to promote overall health and well-being.

The shift toward preventive healthcare and wellness-focused lifestyles is a significant driver behind the surge in anti- inflammatory tea market. As more individuals prioritize maintaining their health and well-being, they are actively seeking out natural and holistic approaches to prevent health issues before they arise. Anti-inflammatory tea aligns perfectly with this trend, offering a proactive solution for managing inflammation, which is often the root cause of various chronic health conditions.

However, difficulty in ensuring consistent quality and potency of herbal ingredients presents a significant restraint on the demand for anti -inflammatory tea industry. Herbal products rely heavily on the quality and potency of their ingredients, which can vary due to factors such as sourcing, cultivation methods, and processing techniques. Inconsistencies in these variables can lead to fluctuations in the effectiveness of the final product, undermining consumer confidence and trust in the brand.

Furthermore, without standardized regulations governing the production and quality control of herbal supplements, consumers are expected to be careful while purchasing anti -inflammatory tea due to concerns about safety and efficacy.

In addition, penetrating emerging markets with growing health-conscious populations around the globe presents significant anti- inflammatory tea market opportunities. As awareness of health and wellness continues to rise in these regions, there is an expanding anti- inflammatory tea market trends for natural remedies such as anti-inflammatory teas. These markets often have populations increasingly concerned about the long-term effects of conventional medications and are more inclined toward preventive healthcare measures.

By type, the black tea segment dominated the global anti-inflammatory tea market in 2022 and is anticipated to maintain its dominance during the forecast period. The rich content of flavonoids and bioactive compounds in black tea along with anti-inflammatory properties has made it a preferred option for those seeking natural remedies.

By packaging, the tea bags segment dominated the global anti-inflammatory tea market demand in 2022 and is anticipated to maintain its dominance during the forecast period.

Region-wise, Asia-Pacific is anticipated to dominate the market with the largest share during the forecast period.

(Allied Market Research/EIN press wire)

Moringa Tea market to grow at 10.40%

The tree is native to the Indian subcontinent and is known by a variety of names, including the "miracle tree ," thanks to its purported medicinal and healing properties. In addition to having no caffeine, moringa tea is high in antioxidants and is said to lower cholesterol and blood sugar.

The global moringa tea market size to record a valuation of US$ 8,001.40 million in 2024. Looking ahead to 2034, the current forecast projects a CAGR of 10.40% throughout. Current projections of the moringa tea industry imply a valuation of US$ 21,456.10 million by 2034.

Owing to its health benefits, moringa tea is a proliferating trend among other tea beverages on the market, such as the well-known matcha tea. The market niche of moringa tea is evolving due to its appeal to tea lovers and health-conscious consumers. Moringa tea stands out from other tea products due to its high nutritious content and lack of caffeine.

Among the products made from moringa are oil, tea, seeds, and other health-related items. The global moringa tea market is augmenting due to the ease with which raw materials can be obtained and the extensive network of exporters of moringa tea.

Since the United States FDA does not monitor moringa, there are issues regarding the safety and purity of the product. It is inhibiting moringa tea market growth since customers prefer regulated products approved by some government organizations before hitting the market.

Asia Pacific propels the moringa tea market expansion, grabbing a substantial market share. The large presence of the moringa tree population and the broad consumption of leaves and pods in Japan, India, and other countries cater to the market growth of moringa tea in Asia Pacific.

The promoters of Ayurveda and alternative medication aid the widespread cultivation of moringa trees in the Asia Pacific . The massive export of moringa tea to Western countries , mainly to feed their enormous populations, ushers the Asia Pacific moringa tea market.

Key Takeaways:

- The boxes segment in the packing type category to possess a share of 68.8% in 2024.
- In the nature category, the organic segment to grab a share of 67.1% in 2024.
- The United States moringa tea market reflects expansion between 2024 and 2034 at a CAGR of 9.00%
- Germany's moringa tea industry indicates a CAGR of 8.10% through 2034.
- Through 2034, China's moringa tea market to show escalation at a CAGR of 5.30%.
- Between 2024 and 2034, Japan's moringa tea industry to imply growth at a CAGR of 5.20%.
- From 2024 to 2034, the India moringa tea market to equate at a CAGR of 4.20%.

Leading moringa tea manufacturers have introduced new items with enhanced features . Notable moringa tea providers are concentrating on creating novel moringa tea items with improved flavor and taste . The moringa tea vendors are introducing tea made with organically cultivated moringa leaves to meet the growing consumer demand for organic food and beverages.

(Future Market Insights)

Kirin partners with RA for Regenerative Tea

Kirin Holdings Company, Limited (Kirin Holdings) and Kirin Beverage Company, Limited (Kirin Beverage) have entered a partnership with the Rainforest Alliance on a project to develop and pilot a regenerative agriculture tea framework, "The Regenerative Tea Scorecard."

The Regenerative Tea Scorecard is based on the Rainforest Alliance's definition of regenerative agriculture , which takes a conservation and restoration approach to farming by combining environmentally friendly farming practices with integrated systems management strategies to ensure soil health , on-farm biodiversity conservation, ecosystem restoration, and improved farmer livelihoods.

The project will begin in some tea plantations in Sri Lanka, the main producer of the tea leaves used in Kirin Gogo-no-Kocha, and a pilot test is scheduled for 2024.

The Regenerative Tea Scorecard is intended to be a tool that farmers and companies can use voluntarily and easily to support tea farms in their transition to regenerative farming. It will help tea farmers assess their current farm practices and identify areas of improvement to transition to regenerative agriculture. It will be piloted in Kirin's supply chain.

According to research from the Food Marketing Institute, Inc., about 50% of the black tea leaves imported into Japan come from Sri Lanka. The Japan Tea Association says of those leaves, 24% are used in Kirin Gogo-no-Kocha. The Kirin Group has been supporting producers to take part in the Rainforest Alliance's Certification*4 training since 2013, to build better partnerships with important tea-producing regions and the people who work there, and to continue producing tasty and reliable tea beverages . The Kirin Group supported 94 tea farms, equivalent to approximately 30% of all large estates in Sri Lanka, to receive Rainforest Alliance certification by the end of 2022.

The Kirin Group Environmental Report 2023, published in July 2023, also covered tea plantations in Sri Lanka, including a detailed analysis of "Locate" (discovering the nature interface) and "Evaluate" (diagnosing dependencies and impacts). It reported that training for the Rainforest Alliance Certification was an effective way to address issues.

(WTN)

TEA & HEALTH

Beneficial Lipids in Herbal Tea

Herbal teas are enjoyed worldwide, not only for their taste and refreshment but also for a wide range of reputed health benefits. But the potential significance of a category of compounds called lipids in the teas has been relatively unexplored. Researchers at Hokkaido University, led by associate professor, Siddabasave Gowda and professor Shu-Ping Hui of the Faculty of Health Sciences, have now identified 341 different molecular species from five categories of lipids in samples of four types of herbal tea. They published their results in the journal Food Chemistry.

Lipids are a diverse collection of natural substances that share the property of being insoluble in water. They include all of the fats and oils that are common constituents of many foods, but they have generally not been examined as significant components of teas.

The Hokkaido team selected four teas for their initial analysis: dokudami (Houttuynia cordata, fish mint), kumazasa (Sasa veitchii), sugina (Equisetum arvense, common horsetail) and yomogi (Artemisia princeps, Japanese mugwort).

"These herbs are native to Japan and have been widely consumed as tea from ancient times due to their medicinal properties," said Gowda. The medicinal benefits attributed to these and other herbal teas include antioxidant, antiglycation, anti-inflammatory, antibacterial, antiviral, anti-allergic, anticarcinogenic, antithrombotic, vasodilatory, antimutagenic, and anti-aging effects.

The lipids in the teas were separated and identified by combining two modern analytical techniques called high-performance liquid chromatography and linear ion trap-Orbitrap mass spectrometry.

The analysis revealed significant variations in the lipids in the four types of tea, with each type containing some known bioactive lipids. These included a distinct category of lipids called short-chain fatty acid esters of hydroxy fatty acids (SFAHFAs), some of which had never previously been found in plants. SFAHFAs detected in tea could be a novel source of short-chain fatty acids, which are essential metabolites for maintaining gut health.

"The discovery of these novel SFAHFAs opens new avenues for research," commented Hui, adding that the lipid concentrations found in the teas are at levels that could be expected to have significant nutritional and medical effects in consumers.

The lipids discovered also included α-linolenic acid, already known for its anti-inflammatory properties, and arachidonic acid which has been associated with a variety of health benefits. These two compounds are examples of a range of poly-unsaturated fatty acids found in the teas, a category of lipids that are well-known for their nutritional benefits.

"Our initial study paves the way for further exploration of the role of lipids in herbal teas and their broad implications for human health and nutrition," Gowda concluded. "We now want to expand our research to characterise the lipids in more than 40 types of herbal tea in the near future."

(Tea & Coffee TJ)

FINANCE NEWS

Yen descends 34 year low

The yen was pinned on the weaker side of 155 per dollar on 25/4 as the Bank of Japan (BOJ) kicks off its two-day rate-setting meeting, leaving traders nervous as to whether Tokyo will intervene while policy deliberations are still underway.

Having traded in a tight range over the past few days, a buoyant dollar finally broke above the 155 yen level for the first time since 1990 in the previous session. The greenback again notched a 34-year high of 155.74 yen on 25th April.

Intense speculation that the Japanese government will intervene to shore up the yen had hampered the dollar's ascent towards the psychologically key level, seen by some market participants as a line in the sand that would prompt Tokyo to take action.

As the BOJ meets to discuss monetary policy, expectations are for the central bank to keep its short-term interest rate target unchanged at the conclusion of the meeting on Friday, following last month's landmark exit from negative rates.

"We expect the BOJ meeting to deliver a marginally hawkish hold outcome," said Carl Ang, fixed income research analyst at MFS Investment Management.

"As for policy signalling, April seems a little early to pivot away from the BOJ's March communication that accommodative financial conditions will continue for the time being.

Continued expectations of gradual policy tightening and a low terminal policy rate make it difficult for the yen to appreciate significantly, even if at historically depressed levels."

BOJ Governor Kazuo Ueda said this week the central bank will raise interest rates again if trend inflation accelerates toward its 2% target as expected.

(Reuters)

OTHER NEWS

ILO to address child labour in African plantations

The International Labour Organization (ILO) has announced the launch of a groundbreaking initiative aimed at protecting children from working in tea and coffee farms across Africa.

Through the ACCEL Africa Project, the ILO seeks to address child labor in cocoa, gold, cotton, tea, and coffee supply chains on the continent.

The initiative, unveiled on Thursday (11/4), focuses on combating the root causes of child labor in specific counties and supply chains. In Kenya, the project will concentrate its efforts on coffee and tea value chains in Kirinyaga, Meru, Kericho, and Kisii counties.

Director of the ILO Country Office, emphasized the strategic approach of the ACCEL Africa Project in targeting the underlying factors contributing to child labor. The project enters its second phase following successful implementation in six African countries.

Funded by the Ministry of Foreign Affairs of the Netherlands Government , the project will collaborate closely with key stakeholders, including the Ministry of Labour, the Federation of Kenya Employers (FKE), and the Central Organization of Trade Unions (COTU).

The Netherlands ambassador to Kenya emphasized the economic and social repercussions of exploiting children for labor, advocating for long-term value creation through education.

Florence Bore, Cabinet Secretary for Labour and Social Protection , underscored the importance of mainstreaming elimination efforts across all value chains, reaffirming the government 's commitment to safeguarding children's futures.

CEO of the Federation of Kenyan Employers, stressed the necessity of public awareness campaigns and social dialogue in combating child labor . She highlighted the importance of collaboration among stakeholders in addressing this critical issue.

The initiative comes at a pivotal time for Kenya, following the signing of the Economic Partnership Agreement (EPA) with the European Union.

The project aims to support Kenya in meeting the sustainability and fair-trade standards required under the EPA, ensuring responsible trade practices and safeguarding the welfare of children involved in the agricultural supply chains.

(Africa Business News)

La Niña will make a comeback this summer

While El Niño has dominated in recent months, it will soon be La Niña's turn to take over.

In March, National Oceanic and Atmospheric Administration (NOAA) scientists predicted the rapid return of La Niña as early as this summer, and the new projections point in the same direction.

The transition between El Niño and La Niña will occur quickly. La Niña will dominate this summer after a short period of neutral phase of the El Niño–Southern Oscillation (ENSO).

When La Niña reigns, it is the Atlantic Ocean that becomes the scene of particularly active weather. Warm water and low wind shear make it easier for storms to develop. Conversely, the presence of wind shear makes it harder for hurricanes to develop in the Pacific Ocean.

It should be noted that the upcoming summer season promises to be particularly intense in the Atlantic basin.

The high level of cyclonic activity means that hurricanes will be more numerous and more powerful. As a result, Eastern Canada is not immune to the impact of these tropical storms.

(Yahoo.com)

Hot Spring likely after extreme Winter

Spring sprung weeks ahead of schedule as global temperatures reached a record high, stressing tea plants in both hemispheres. March was the 10th consecutive month of record-high temperatures, overshooting for the entire year the 1.5 degrees Celsius global climate target.

Temperatures during the past 12 months were 1.58C above pre-industrial averages, according to the EU's Copernicus Climate Change Service. Copernicus Center recorded temperatures globally as 1.68 degrees C (3 degrees Fahrenheit) hotter than historical averages.

Spring arrived after the hottest winter on record in the US. According to NOAA (US National Oceanic and Atmospheric Administration), the global land and ocean surface temperature in March was 45.1 degrees F (3.6 degrees above the 20th-century average). February was 1.4 degrees C (2.52 degrees F) above the 20th-century average of 12.1 degrees C (53.8 degrees F).

Copernicus Deputy Director Samantha Burgess told Bloomberg News that "Stopping further warming requires rapid reductions in greenhouse gas emissions." Policymakers and scientists warn that exceeding the 1.5C limit could threaten life on the planet.

Assam started the year bone dry, but the rains that finally arrived in late March will revive tea in the world's largest growing region. In January, China experienced a cold wave that brought snow to many southern tea-growing regions. Weather patterns have since normalized, with temperatures trending upward. In Kenya, temperatures in the highlands east of the Rift Valley rose to 38C in February. Forecasts are for higher heat stress in eastern Kenya and Tanzania through May. Kenya experienced a wet year in 2023.

Dry weather in the southern hemisphere is attributed to El Niño, which causes hot and dry weather. The journal Scientific Reports predicts a 90% chance that global average surface temperatures will reach record highs by the end of June, then easing as the La Niña cycle begins in the second half of 2024.

The World Meteorological Organization said that El Niño would "push global temperatures into uncharted territory along with climate change." Temperatures are now unofficially thought to be the hottest in at least 100,000 years.

Extreme drought, a direct consequence of climate change, has become a recurring nightmare for tea plantations. In recent years, it has struck with alarming frequency, leading to significant yield losses. A stark example of this is seen in China, where tea yields plummeted by a staggering 30% in 2023. One source of relief investigated by Chinese researchers is tea itself. Adding a concentrated mix of 100 mg per liter of water by pouring it over the roots under drought conditions promotes the closure of stomata to greatly reduce water loss from the leaves. The polyphenols accumulated in the root system significantly increasing EGCG, ECG, and EGC levels that enhance the plant's drought resistance through multiple pathways, according to the study published in the Journal of Molecular Sciences.

(STiR Coffee & Tea)

Saudi promotes coffee growing

The Sustainable Agricultural Rural Development Program, known as 'Reef Saudi,' is making strides in enhancing the Kingdom's coffee sector.

With an initial investment of SR61 million since 2020, the program has benefited 3,718 individuals involved in coffee cultivation and production.

This investment marks a pivotal shift in coffee production volumes in Saudi Arabia, which have seen a 37 % increase from 800 tons in 2020 to 1,485 tons in 2023.

Looking ahead, 'Reef Saudi' sets an ambitious target to escalate coffee production to 7,000 tons annually by 2026.

'Reef Saudi's commitment extends beyond financial support; it is reshaping the coffee industry into a pivotal component of the Kingdom's agricultural economy.

The initiative aims to enhance the coffee sector's contribution to the economy by promoting it as a lucrative cash crop.

This move not only diversifies the agricultural portfolio but also paves the way for added value through processing, marketing, and achieving self-sufficiency, thereby reducing the dependency on coffee imports

Furthermore, the program is poised to create job opportunities, particularly for the youth, and aims to elevate the income levels of producers, thereby uplifting the living standards in rural communities.

Through a comprehensive strategy, 'Reef Saudi' plans to provide financial resources, instill best agricultural practices, and promote innovative harvesting techniques to reduce waste.

The establishment of cooperative societies and marketing centers is also in the pipeline to ensure the sustainability of coffee cultivation in the Kingdom.

Supporting infrastructure projects such as rainwater harvesting and the development of irrigation systems, alongside financial aid and capacity-building for small producers and technical staff, are among the core activities of 'Reef Saudi.'

By fostering a supportive environment for small agricultural producers and facilitating access to necessary resources and markets, 'Reef Saudi' aims to contribute significantly to food security, rural stability, environmental sustainability, and the judicious management of natural resources.

(Saudi Gazette)

Egypt's inflation likely to persists

Egypt's inflation is likely to persist over coming months despite the sharp fall seen in March, experts said.

Annual urban consumer price inflation rate slowed to 33.3% in March compared with 35.7% in February despite a devaluation of the local pound last month, Egypt government data showed. The price rise was unexpectedly lower than LSEG's consensus estimate of 36.6%,

Experts advise caution as they feel the factors driving inflation upward persist within the system and price pressures still have a ways to go.

"Egypt's headline inflation rate slowed to 33.3% y/y in March despite the near 40% fall in the pound's official exchange rate last month. That said, the effects of the currency fall will continue to feed through over the coming months and keep inflation elevated throughout the rest of 2024," James Swanston, MENA economist at Capital Economics, said in a note.

Monthly inflation rate was 1% in March, down from 11.4% in February. Prices of food and beverage, the largest single component of the CPI basket, eased to 50.9% in March from 44.9% in February.

According to Simon Williams, economist at HSBC Bank, the prospect of further subsidy cuts and minimum wage hikes suggest that underlying inflationary pressures will persist.

"Additional price controls for the month of Ramadan may have also contributed to lower food inflation in March, which fell from 16.7% m-o-m to just 0.7% m-o-m, and accounted for much of the miss in our forecast," he said in a note.

According to Swanston, inflation will remain elevated over the rest of this year, remaining above 25% year-on-year by year-end, as the effects of the weaker pound and administered price hikes – including this month's 9-22% increase in local fuel prices – take effect.

The Egyptian central bank in March allowed the pound to fall nearly 40% against the dollar. The devaluation, a key condition of the IMF helped unlock an expanded $8 billion financial support program for the beleaguered country.

On March 22, the government also raised fuel prices, also as part of the commitment to the Fund to remove subsidies.

(ZAWYA 2024)